

Agenda Date: April 27, 2005
Item Number: A7

Docket: UW-050379
Company Name: H&R Waterworks, Inc.
d/b/a Transitions Water Services, LLC

Staff: Jim Ward, Regulatory Analyst

Recommendation:

Allow the tariff revisions filed by Transitions Water Services, LLC, in Docket UW-050379, to become effective May 1, 2005.

Discussion:

On March 14, 2005, Transitions Water Services, LLC, (Company) filed to revise its tariff to reflect a general rate increase in the form of a capital improvement surcharge. The filing would generate an additional \$17,845 (68%) annually. The Company serves approximately 73 active customers on the water system known as Spanaway 192nd water system in Pierce county. The Company came under regulation December 16, 2003.

The Company stated it is filing to increase rates to generate additional revenue to repay its loan due to changes in capital plant as required by Department of Health.

The tariff revision implements a monthly surcharge. This surcharge would continue until \$81,396 loan principal plus interest, fees and state excise taxes are recovered or until October 31, 2010, whichever occurs first.

The Commission received no comments from customers concerning the rate increase. The proposed increase would result in an average increase of \$20.13 plus tax, per month to each customer. The current and proposed rates are provided below:

<u>Monthly Rate</u>	<u>Current</u>	<u>Proposed</u>
DOH Repair Surcharge*	N/A	\$ 20.13

* Surcharge recovery is to apply to all water customers located on and served by this Company specifically for the Spanaway 192nd water system. Surcharge is to expire October 31, 2010, or upon recovery of \$81,396 loan principal, interest charges, fees, and state excise taxes, whichever occurs first. Surcharge recovery applies to the DOH mandated system upgrades and repairs, and is title "2005 DOH Repair Surcharge".

Conclusion

The Company has demonstrated that the proposed rates are fair, just, and reasonable. Therefore, Staff recommends that the Commission allow the tariff revisions filed by Transitions Water Services, LLC, in Docket UW-050379, to become effective May 1, 2005.